

Message Text

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C O N F I D E N T I A L L I M A 1 9 0 1

E. O. 11652: GDS

TAGS: ETRN, PE

SUBJ: CIVAIR: SATCO FIRST F-28 ARRIVES; GILARDI ANNOUNCES

" AERO- PERU" WILL BE CREATED

1. AFTER CONSIDERABLE DELAY, THE FIRST OF THREE FOKKER F-28' S ARRIVED MARCH 19; THE OTHER TWO ARE DUE TO ARRIVE BY EARLY APRIL. THE PLANES HAVE BEEN PURCHASED BY THE MINISTRY OF AERONAUTICS FOR USE IN AIR FORCE- OPERATED SERVICIO AEREO DE TRANSPORTES COMERCIALES (SATCO). AIR MINISTER GILARDI, SPEAKING AT THE ARRIVAL CEREMONY, SAID THAT WITHIN 15-20 DAYS THE GOP WILL ISSUE A DECREE LAW CREATING A NEW NATIONAL AIRLINE, TO BE CALLED " AERO PERU". THE NEW LINE WILL INCORPORATE SATCO AND, ACCORDING TO GILARDI, WILL BE EXPANDED FROM DOMESTIC TO INTERNATIONAL SERVICE WITHIN 12-18 MONTHS. HE ALSO ANNOUNCED THE UPCOMING PURCHASE OF FOUR CANADIAN TWIN OTTERS AND FIVE LARGE RUSSIAN HELICOPTERS, PRESUMABLY MI-8' S, FOR USE IN JUNGLE TRANSPORT AND PETROLEUM EXPLORATION.

2. ON MARCH 14, GOP AUTHORIZED BANCO DE LA NACION TO APPROVE THREE LOANS TO THE MINISTRY OF AERONAUTICS. THE LARGEST, FOR 51.5 MILLION DUTCH FLORINS (\$17.6 MILLION) IS FOR THREE F-28' S AND SPARES. ANOTHER, OF \$3.2 MILLION, IS FOR FOUR TWIN OTTERS AND THE THIRD, \$258,000, FOR A CARGO LOADING SYSTEM. THE F-28' S REPORTEDLY COST \$4.3 MILLION EACH PLUS 20 PERCENT FOR SPARES; THE FLORIN FIGURE APPARENTLY INCLUDES THE TOTAL COST PLUS INTEREST.

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3. COMMENT: THE ARRIVAL OF THE F-27'S ENDS A PERIOD OF IN-FIGHTING AND EMBARRASSMENT WITHIN THE GOP AND ESPECIALLY WITHIN THE FAP (FUERZA AEREA PERUANA). WHEN THE GOP DECIDED IN 1971 TO BUY PASSENGER JETS FOR SATCO, FOKKER TOOK AN EARLY LEAD IN THE COMPETITION WITH A BRISK SALES CAMPAIGN EMPHASIZING THE F-28'S ABILITY TO SERVICE THE REMOTE HIGHLANDS OF PERU. THE FAP, FOLLOWING OFFICIAL BUT UNATTRIBUTED STATEMENTS THAT PERU WOULD BUY THE FOKKER, DECIDED TO SCREEN THE OTHER CANDIDATES AND BAC, BOEING AND DOUGLAS ALL BROUGHT DEMONSTRATION AIRCRAFT TO PERU. A SERIES OF HIGH- LEVEL COMMISSIONS WITHIN THE FAP EVALUATED THE FOUR AIRCRAFT-- THE F-28, THE BOEING 737, THE BAC-111 AND THE DOUGLAS DC-9-- AND REPORTEDLY CAME OUT WITH CONTRADICTORY OPINIONS. THE ORINAL CLAIM THAT ONLY THE FOKKER COULD OPERATE OUT OF REMOTE, UNSURFACED MOUNTAIN AIRPORTS WAS PUT TO REST WHEN THE OTHER THREE PERFORMED JUST AS WELL, OR BETTER, IN THE CASE OF THE U. S. PLANES, AT THESE AIRSTRIPS. WHEN THE FINAL OFFERS WERE MADE THERE WAS LITTLE DIFFERENCE IN PRICE AMONG THE FOUR (BOEING ULTIMATELY OFFERED USED AIRCRAFT WITH NEW ENGINES AT A COMPARABLE PRICE). THE DECISION TO BUY THE FOKKER WAS TAKEN IN SPIE OF THIS AND IN SPIE OF CONSIDER-ABLE EVIDENCE, INCLUDING ECONOMIC ANALYSES AVAILABLE TO THE FAP OPERATORS, THAT THE DUTCH PLANE IS FAR BEHIND THE OTHER THREE IN OPERATING EFFICIENCY AND PROFIT POTENTIAL. THE DECISION PROBABLY REFLECTED THE GOP'S DESIRE TO MAINTAIN A UNITED FRONT WITHIN THE FAP FOLLOWING THE PRECIPITATE EARLY ANNOUNCEMENTS THAT PERU WOULD BUY THE DUTCH AIRCRAFT. REGARDLESS OF THE REASONING, AERO PERU WILL BE FORCED TO START OPERATIONS WITH AN AIRCRAFT WHICH IS: 1) THE MOST EXPENSIVE OF ITS CLASS TO OPERATE; 2) AN ORPHAN IN THE WORLD OF CIVIL AVIATION-- THE ONLY OTHER COPY IN SOUTH AMERICA IS THE ARGENTINE PRESIDENTIAL PLANE; AND 3) NOT COMPATIBLE WITH THE REST OF THE PERUVIAN PASSENGER FLEET AND NOT COMPATIBLE WITH AERO PERU'S FUTURE INTERNATIONAL FLEET, WHICH WILL BE EITHER BOEING OR DOUGLAS OR BOTH.

BELCHER

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